

HB 15-FN - AS INTRODUCED

2021 SESSION

21-0670

10/08

HOUSE BILL

***15-FN***

AN ACT                   relative to including under the meals and rooms tax facilitators of Internet transactions of motor vehicle rentals and facilitators of Internet transactions of room occupancies.

SPONSORS:           Rep. Packard, Rock. 5; Rep. Major, Rock. 14; Rep. Almy, Graf. 13; Rep. Abrami, Rock. 19

COMMITTEE:       Ways and Means

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ANALYSIS

This bill adds and modifies definitions and requirements in the meals and rooms tax to include facilitators of Internet transactions of motor vehicle rentals and facilitators of Internet transactions of room occupancies.

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Explanation:       Matter added to current law appears in ***bold italics***.  
                      Matter removed from current law appears ~~[in brackets and struckthrough]~~  
                      Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty One*

AN ACT                    relative to including under the meals and rooms tax facilitators of Internet transactions of motor vehicle rentals and facilitators of Internet transactions of room occupancies.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1            1 Meals and Rooms Tax; Definition; Gross Rental Receipts; Motor Vehicle Rentals. Amend the  
2 introductory paragraph of RSA 78-A:3, VI to read as follows:

3            VI. "Gross rental receipts" means value received or promised as consideration to the owner  
4 of a motor vehicle ***and any rental facilitator*** for ~~[rental of the vehicle, but]~~ ***a rental agreement,***  
5 ***including any fee, service, or other charge or amount required to be paid by the renter as a***  
6 ***condition for the rental agreement. The term*** shall not include:

7            2 Definition; Operator. Amend RSA 78-A:3, XIII to read as follows:

8            XIII. "Operator" means any person operating a hotel, charging for a taxable meal, or  
9 receiving gross rental receipts, whether as owner or proprietor or lessee, or otherwise. ***The term***  
10 ***operator shall include a rental facilitator and a room facilitator.***

11           3 Definition; Rent; Room Facilitators Added. Amend RSA 78-A:3, XVII(a) to read as follows:

12           (a) The ~~[consideration received]~~ ***full retail price charged*** for occupancy valued in  
13 money, whether received in money or otherwise, including all receipts, cash, credits, and property, or  
14 services of any kind or nature, and also any amount for which the occupant is liable for the  
15 occupancy without any deduction of any kind, ***including any fee, service, or other charge***  
16 ***required to be paid by the occupant to a room facilitator;*** and

17           4 Definition; Rental Agreement. Amend RSA 78-A:3, XVIII to read as follows:

18           XVIII. "Rental agreement" means an agreement by the owner of a motor vehicle to provide,  
19 for not longer than 180 days, the exclusive use of that motor vehicle to another for consideration,  
20 ***whether directly or indirectly, through a rental facilitator or otherwise.***

21           5 New Paragraph; Definition; Rental Facilitator. Amend RSA 78-A:3 by inserting after  
22 paragraph XVIII the following new paragraph:

23           XVIII-a. "Rental facilitator" means any person having any right, access, ability, or authority  
24 to offer, reserve, book, arrange for, remarket, distribute, broker, resell, coordinate, or otherwise  
25 facilitate rental of a motor vehicle to a renter, whether directly or indirectly, through an Internet  
26 transaction or any other means whatsoever.

27           6 New Paragraph; Definitions; Room Facilitator. Amend RSA 78-A:3 by inserting after  
28 paragraph XIX the following new paragraph:

1           XIX-a. "Room facilitator" means any person having any right, access, ability, or authority to  
2 offer, reserve, book, arrange for, remarket, distribute, broker, resell, coordinate, or otherwise  
3 facilitate occupancy to an occupant, whether directly or indirectly, through an Internet transaction  
4 or any other means whatsoever.

5           7 New Subparagraphs; Collection of Tax; Rental Facilitator; Room Facilitator. Amend RSA 78-  
6 A:7, I by inserting after subparagraph (b) the following new subparagraphs:

7           (c) If the rental of a motor vehicle is offered, reserved, booked, arranged for, or otherwise  
8 facilitated in whole or in part by a rental facilitator, the rental facilitator shall demand and collect  
9 the tax from the renter. The rental facilitator shall remit the tax to the state.

10           (d) If the occupancy is offered, reserved, booked, arranged for, or otherwise facilitated in  
11 whole or in part by a room facilitator, the room facilitator shall demand and collect the tax from the  
12 occupant. The room facilitator shall remit the tax to the state.

13           7 New Paragraphs; Assessment of Additional Tax; Rental Facilitator; Room Facilitator. Amend  
14 RSA 78-A:11 by inserting after paragraph I the following new paragraphs:

15           I-a. If a rental facilitator required to collect and remit a tax under this chapter fails to make  
16 a return, no assessment shall be made except against the rental facilitator.

17           I-b. If a room facilitator required to collect and pay a tax under this chapter fails to make a  
18 return, no assessment shall be made except against the room facilitator.

19           8 Effective Date. This act shall take effect 60 days after its passage.

**HB 15-FN- FISCAL NOTE**  
**AS INTRODUCED**

AN ACT relative to including under the meals and rooms tax facilitators of Internet transactions of motor vehicle rentals and facilitators of Internet transactions of room occupancies.

**FISCAL IMPACT:**    ☒ **State**                      ☐ **County**                      ☒ **Local**                      ☐ **None**

STATE:	Estimated Increase / (Decrease)			
	FY 2021	FY 2022	FY 2023	FY 2024
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Expenditures</b>	\$0	\$0	\$0	\$0
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

**LOCAL:**

<b>Revenue</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Expenditures</b>	\$0	\$0	\$0	\$0

**METHODOLOGY:**

This bill clarifies "operator" within the Meals and Rooms tax includes room facilitators and motor vehicle rental facilitators and that for each occupancy or motor vehicle rental being facilitated by one of these facilitators, they must collect and remit the Meals and Rooms tax to the State. To the extent facilitators exist that do not currently collect and remit the Meals and Rooms tax when room or motor vehicle rental transactions are facilitated, General Fund and Education Trust Fund revenue will increase by an indeterminable amount.

The Department of Revenue Administration indicates it could administer this change without additional expenditures.

The Department also states the statutory Meals and Rooms Tax distribution formula (RSA 78-A:26,II) requires an increased municipal revenue distribution if tax revenue increases, as may result from this bill's operation. The distribution of revenue pursuant to this formula has been capped in past budget bills, including for the FY20-FY21 biennium, but the formula will be fully effective again beginning in FY22 without legislative action to suspend its operation.

It is assumed this bill will take effect July 1, 2021.

**AGENCIES CONTACTED:**

Department of Revenue Administration